



18 March 2011

Our ref: ICAEW Rep 27/11

Your ref: CP11/01

Victoria Richardson
Primary Markets Policy
Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Submitted by email cp11_01@fsa.gov.uk

Dear Ms Richardson

FINANCIAL SERVICES AUTHORITY CP11/01 QUARTERLY CONSULTATION PAPER

ICAEW welcomes the opportunity to comment on Chapter 11 of the consultation paper *CP11/01 Quarterly Consultation Paper* published by the Financial Services Authority in January 2011.

Subject to the exception below we are pleased to support the proposed changes to the Listing Rules set out in Chapter 11 of the consultation paper.

In relation to Q11.2 and the proposed change to LR 9.8.6R(2) we are not convinced that the proposed wording is sufficiently clear. The FSA requires a statement 'as at the end of the period under review', which we understand is a change from the usual interpretation of the existing rule - which is that the statement is as at a date not more than one month prior to the AGM notice. However, the proposed wording then seems to contradict itself by requiring details of changes after the year end, although this is linked by 'including'. We are unsure how a list at the period end can 'include' changes after the period end. It seems the FSA may mean:

1. All changes after the year end up to the specified date must be disclosed IN ADDITION TO the list at the period end; or
2. The list on interests at the period end should take into account any notifications of interests received after the period end.

The FSA might consider redrafting draft paragraph LR 9.8.6R2(a) to say:

'all changes of interests, as at that date, disclosed to the listed company between the end of the period under review and

We would also take this opportunity to question why this disclosure is mandated for the annual report. In the light of the efforts of the Financial Reporting Council and others to reduce clutter in financial reports for investors, which we strongly support, the FSA might consider whether this and similar disclosures could be made just as effectively in, for example, the RIS. We would also observe that the information would be included in the annual information update required under PR 5.2.

ICAEW operates under a Royal Charter, working in the public interest. Its regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the Financial Reporting Council. As a world leading professional accountancy body, we provide leadership and practical support to over 134,000 members in more than 160 countries, working with governments, regulators and industry in order to ensure the highest standards are maintained. We are a founding member of the Global Accounting Alliance with over 775,000 members worldwide.

Members of the ICAEW Corporate Finance Faculty, a network of some 5,000 professionals, include sponsors, nominated advisers, reporting accountants and brokers. The views of these members have informed our review of the proposed changes and we have also consulted members of the ICAEW Financial Services Faculty on the changes relating to OEICs and members of the ICAEW Financial Reporting Faculty on the changes relating to major shareholder disclosures in annual reports.

Yours sincerely

Katerina Joannou
Manager Capital Markets Policy

T +44 (0)20 7920 8806
E katerina.joannou@icaew.com